

RESOLUTION NO. 27683

WHEREAS, on recommendation of Management, there was presented for approval, Award of five (5)-year Progressive Design-Build Contract to Hensel Phelps Construction Co. covering Phase 1 (design and preconstruction) of the Landscaping Improvements Program at Los Angeles International Airport, for cost not to exceed \$13,067,519, and appropriation of capital funds of \$16,919,023; and

WHEREAS, in 2017, Los Angeles World Airports (LAWA) approved the Los Angeles International Airport (LAX) Landside Access Modernization Program (LAMP), which included an Automated People Mover (APM) system around the Central Terminal Area (CTA) and new intermodal transportation facilities. In 2021, LAWA approved the Airfield and Terminal Modernization Program (ATMP). The ATMP includes a series of new airside, landside, and terminal improvements to enhance user experience and increase business opportunities at LAX. Among other things, it includes a series of new roadways and mobility improvements throughout the LAX campus. As the LAMP and ATMP facilities near completion in the coming years, LAWA plans to improve the landscaping and public outdoor areas throughout the LAX campus to improve guest experience; and

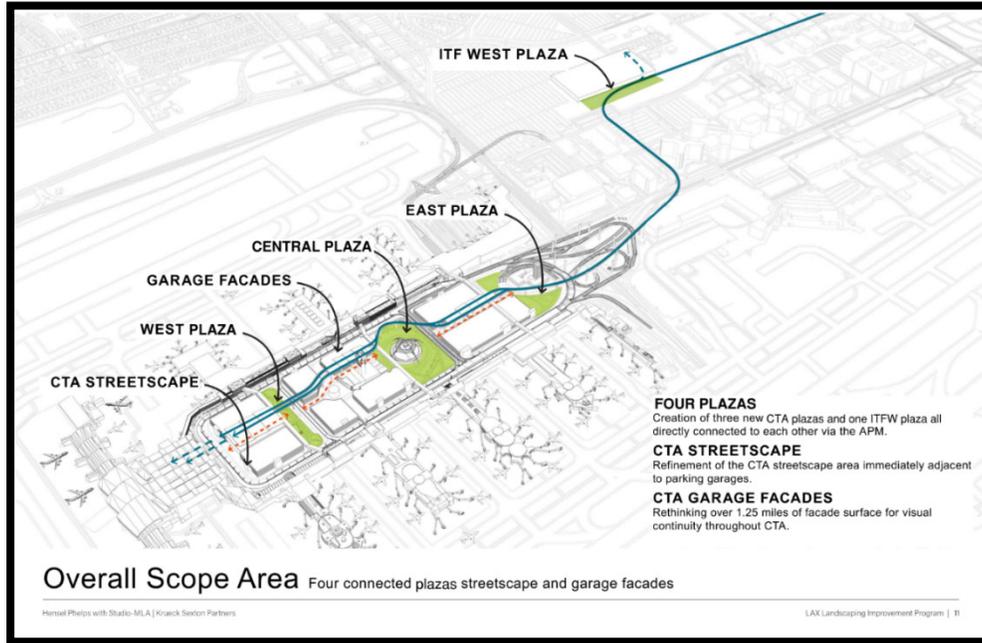
WHEREAS, the LAX Landscaping Improvements Program would reimagine the exterior areas of the LAX campus by providing a series of new outdoor plazas that would have landscaping, seating, wayfinding, and meter/greeter type elements. To support those areas, the goal is to create new and riveting customer experience with concessions and advertising spaces, which would provide future revenue-generating opportunities. Additionally, improvements would be made to the facades of the parking structures which could also have advertising and digital content to create a more uniform landside experience for guests as they exit the terminals in the CTA and Ground Transportation Center (GTC). Those features would also provide potential revenue-generating opportunities for the airport; and

WHEREAS, the LAX Landscaping Improvements Program would create new outdoor plazas, paired with new landscaping and technology improvements throughout the CTA and GTC that may include, but not limited to:

- New Outdoor Plazas (≈ 13 acres of potential plaza improvements)
Create new plazas with new landscaping, hardscaping, outdoor furniture, technology, and public art. The opportunities for new plazas include:
 - West CTA Plaza (Plaza at Parking Structure 3 and 4)
 - Central CTA Plaza (Theme Building Plaza)
 - East CTA Plaza (Administration East Plaza)
 - GTC Plaza
- CTA Parking Garage Facade Improvements (≈ 103,000 square feet of potential façade surface improvements)
 - Vertical landscaping
 - Supergraphics and Digital Screens
 - Other Possible Enhancements include paint, cladding, smart glass, etc.
- Potential Scope (that will be explored during Phase 1 of the Contract)
 - APM Column Enhancements
 - Curbside and Soffit Improvements (Arrivals Level)
 - Security Improvements (bollards, etc.); and



WHEREAS, following is a map of the proposed areas to be addressed in the Contract:



WHEREAS, LAWA received proposals from the following five (5) Design-Build teams that responded to the Request for Proposals (RFP):

- Hensel Phelps Construction Co. (Hensel Phelps)
- Kemp Bros Construction
- Skanska USA Building Inc.
- Suffolk Construction Company
- Swinerton Builders; and

WHEREAS, Technical Proposals, Interviews, and Price Proposals were scored using the following criteria:

Part	Criteria Description	Minimum Weighted Points
A	Administrative Requirements Administrative Submittal	Pass/Fail
B	Technical Qualifications	
B1	Minimum Qualifications	Pass/Fail
B2	Technical Qualifications	50
	Sub-Total	50
C	Technical Proposal	
C1	Design Concepts	200
C2	Management Plan	100
C3	Schedule	80
C4	Inclusivity and Workforce	70
	Sub-Total	450
	Interview	200
	Total Weighted Technical Points	700

(table continued)

Part	Criteria Description	Minimum Weighted Score
D	Cost Proposal and Proposal Bond	
D1	Cost Proposal	300
D2	Proposal Bond	Pass/Fail
	Sub-Total	300
	Total Available Points	1,000; and

WHEREAS, LAWA Strategic Sourcing Division reviewed all administrative requirements submitted and determined that all five (5) Design-Build teams fulfilled the Administrative Requirements; and

WHEREAS, the RFP established a threshold that only firms scoring 40 points or higher in Part B – Technical Qualification would be invited to participate in Part C – Technical Proposal and Part D – Cost Proposal and Proposal Bond. The following four (4) firms (in alphabetical order) met the baseline criteria and were invited for Part C and Part D submission:

- Hensel Phelps
- Skanska USA Building Inc.
- Suffolk Construction Company
- Swinerton Builders; and

WHEREAS, upon completion of the technical and interview phases (Parts B and C), cost proposals (Part D) were submitted and were scored accordingly against the scoring criteria. Based on all of the above scoring criteria, Hensel Phelps was the highest ranking firm; and

WHEREAS, throughout the selection process, Hensel Phelps demonstrated a thorough understanding of the project, extensive experience with project delivery, and a strong commitment and approach to design and construction services required to successfully complete the project; and

WHEREAS, the LAX Landscaping Improvements Program would be delivered using a two (2)-phase Progressive Design-Build delivery method:

Phase 1 would include (elements of this Board action):

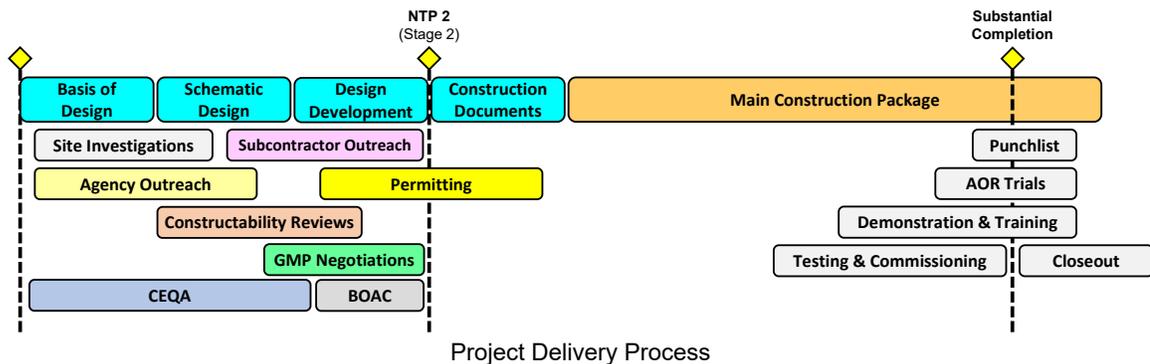
- Design: Basis of Design, Schematic Design, Design Development, Building Information Modeling, Add Alternatives Analysis, etc.
- Preconstruction: Field Investigations, Exploratory Excavations, Subcontractor Outreach and Procurement, Cost Estimating, Phasing and Logistics Planning, Scheduling and Stakeholder Outreach
- Development of the Guaranteed Maximum Price (GMP) (which would come back to the Board for review and approval)
- This phase would take about 12-18 months

Phase 2 (elements of the next Board action):

- Would be for the construction phase of the project if the GMP is approved
- This phase would take approximately two (2) years with a final completion date no later than December 31, 2026. Majority of the construction would be completed by the summer of 2026, in time for the 2026 FIFA World Cup.
- Phase 2 is subject to completion of appropriate analysis under California Environmental Quality Act (CEQA) and all other applicable requirements; and

WHEREAS, LAWA will be using Target Value Design, where the design will be continuously reviewed, estimated, and adjusted to stay within a budget constraint. LAWA and the Design-Builder will separately prepare independent estimates at each formal design-milestone, and will continuously monitor costs, risks, milestones, etc., to inform key decisions throughout the Phase 1 of the Contract. The team will conduct regular stakeholder meetings, participate in partnering to provide ongoing reports, design charrettes, and constant coordination throughout all stages of the Contract. In order to maximize collaboration and transparency, the LAWA and Design-Builder Project Team will co-locate into a Project Management Office; and

WHEREAS, at completion of the Design Development Package (Phase 1), Hensel Phelps would develop the GMP proposal for Phase 2, which would include Construction and Closeout Activities. The GMP proposal would be developed based on the design from the Design-Builder, using actual competitive bids from key subcontractors plus sufficient contingencies for the remaining design. Once the GMP has been negotiated and finalized, staff would return to the Board for approval of the GMP in order to appropriate the remaining funds and execute future phases of the Contract. Before returning to the Board, staff would prepare the appropriate level of documentation under CEQA, which would depend on the project description developed during Phase 1; and



WHEREAS, the Hensel Phelps team and proposed project approach will allow the project to encompass diversity, sustainability and world class experiences to continue to achieve the LAX Gold Standard. Some of these features are:

Team Chemistry and Diversity

- MLA Studio is a Los Angeles-based Women Owned Business providing landscape architecture services. The firm worked on the LAX Police Facility and was the Landscape Architect for So-Fi Stadium.
- Krueck & Sexton Partners is a Small Business Enterprise (SBE) with international experience providing architectural design services. The firm worked on the Terminal 7 & 8 redevelopment project and iconic outdoor plazas such as Crown Fountain in Chicago.
- Hensel Phelps has worked with both firms and worked on numerous projects at LAX.
- The Hensel Phelps team has committed to meet or exceed the projects inclusivity and local hire goals: SBE 20%, Local Business Enterprise (LBE) 10%, Local Small Business Enterprise (LSBE) 5%, Disabled Veterans Business Enterprise (DVBE) 3%, 30% Local Hire participation. The firm has also committed to provide technical assistance to eliminate barriers to participation and hold its own XBE outreach events and create social media tools to increase awareness and participation.
- The Hensel Phelps team is committed to the priority hiring of HireLAX Graduates, host HireLAX graduate reunion events and provide a Craftworker Utilization Plan and Schedule with monthly updates.

Sustainability Approach

- Storm water management with water storage facilities in nearby locations

- Tree Species selection that mitigates the need for extensive watering
- Solar energy opportunities to target a carbon neutral landscape

Innovation Approach

- Additional CTA Pick Up Zones
- A concessions consultant on its team
- An approach to the arrivals level enhancement
- Budget strategies to control costs; and

WHEREAS, the award of contract does not constitute approval of the project under CEQA because award of the Contract and approval of Phase 1 involve continuing administrative activities that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code Section 21065, State CEQA Guidelines Section 15378(b)(2)) In addition, the action is not defined as a project under CEQA because it involves government fiscal activities which do not commit LAWA to any specific project that may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4)) The design work contemplated in Phase 1 would not have any significant physical impact on the environment, and award of the Contract and approval of Phase 1 do not commit LAWA to proceeding with Phase 2 of the Contract and do not foreclose the Board's ability to decide not to proceed with Phase 2 of the Contract. Prior to Phase 2 of the Contract, LAWA would conduct an environmental review of the proposed design in compliance with CEQA and other applicable laws. Furthermore, LAWA would ensure that the proposed design complies with the LAX Specific Plan, the LAX Plan, and all applicable LAX Design Guidelines and Standards; and

WHEREAS, in addition, to the extent site investigations and surveys are required during Phase 1 to develop the proposed design, these activities would involve basic data collection, research, experimental management, and resource evaluation activities needed for environmental review and permitting and would not result in any serious or major disturbance to an environmental resource. As such, they are categorically exempt from CEQA under State CEQA Guidelines Section 15306 (Information Collection); and

WHEREAS, the LAX Landscaping Improvements Program is included in LAWA's 2022 Capital Improvement Plan. Following is a breakdown of the appropriation of capital funds in the amount of \$16,919,023:

- \$13,067,519 for design & construction contract (Hensel Phelps)
- \$ 200,000 for City services (i.e., Permitting)
- \$ 1,538,104[◇] for Owner's Contingency
- \$ 2,113,400 for 21 months of Project Management, Project Controls, IT Support, Inspections and Planning Services support. This soft cost allocation covers the initial design phase and monies to bridge the time gap until the final GMP (Phase 2) is fully approved and executed. These budgets will be reconciled at the time of the GMP; and

[◇] *This amount for Owner's Contingency is a Board-approved amendment to the staff report. The same amendment was made to two references of the Owner's Contingency amount under the Recommendations section of said staff report and, thus, reflected in the final operative clause of this Resolution.*

WHEREAS, this action, as a continuing administrative activity, is not a project as defined in CEQA pursuant to Public Resources Code section 21065 and State CEQA Guidelines Section 15378 and is exempt from CEQA pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines. In addition, basic data collection, field testing, research, experimental management and resource activities of City departments, bureaus, divisions, sections, offices or officers which do not result in serious or major disturbances to an environmental resource, is exempt from CEQA requirements

pursuant to State CEQA Guidelines Section 15306 and Article III, Class 6 (2) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Hensel Phelps will comply with the provisions of the Living Wage Ordinance; and

WHEREAS, Procurement Services has reviewed this action (File 10335) and established mandatory goals of 20% SBE, 10% LBE, 5% LSBE, and 3% DVBE. Hensel Phelps pledged to said goals; and

WHEREAS, Hensel Phelps will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Hensel Phelps has been assigned Business Tax Registration Certificate 0000099083-0001-4; and

WHEREAS, Hensel Phelps will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Hensel Phelps has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Hensel Phelps has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Hensel Phelps has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, Hensel Phelps has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, Hensel Phelps has submitted the MLO CEC Form 50, and will comply with its provisions; and

WHEREAS, Hensel Phelps has submitted the Iran Contracting Act Affidavit, and will comply with its provisions; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the amended Staff Report; determined that this action is not a project as defined in CEQA (Pub. Resources Code Section 21065, State CEQA Guidelines Section 15378) and is also exempt from CEQA pursuant to State CEQA Guidelines Section 15306, and Article II Section 2.f and Article III Class 6 (2) of the Los Angeles City CEQA Guidelines; found that the work can be performed more economically or feasibly by an independent contractor than by City employees; further found that the proposal from Hensel Phelps Construction Co. represents the lowest ultimate cost (as defined in Charter Section 371) to the City; further found that the award of contract is in compliance with Los Angeles City Ordinance 187476 approved by the City Council on May 4, 2022; approved Award of five (5)-year Progressive Design-Build Contract to Hensel Phelps Construction Co. covering Phase 1 (design and preconstruction) of the Landscaping Improvements Program at Los Angeles International Airport, for cost not to exceed \$13,067,519, subject to change order authority by the Chief Executive Officer, or designee, as necessary, whereas potential future approval of Phase 2 is subject to completion of appropriate analysis under CEQA and all other applicable requirements; further approved a budgeted Owner's Contingency of \$1,538,104 for Phase 1 of the Contract that can only be utilized through change orders authorized by the Chief Executive Officer, or designee,

or the Board of Airport Commissioners; further approved appropriation of not to exceed \$16,919,023, from the LAX Revenue Fund to WBS Element 1.23.07A-700, for Phase 1 of the Contract, including, but not limited to, design, permitting, preconstruction services, Guaranteed Maximum Price development, soft costs, and project contingency, whereas staff will return to the Board of Airport Commissioners upon completion of the Guaranteed Maximum Price proposal and request approval of a contract amendment for Phase 2 of the Contract and appropriation of the associated funds; authorized the Chief Executive Officer, or designee, to approve and execute change orders to the Contract up to the budgeted Owner's Contingency of \$1,538,104 for Phase 1 of the Contract, provided that, prior to execution of any change order in excess of \$500,000, the Board of Airport Commissioners shall have reviewed and authorized execution thereof, and such authorization shall become final pursuant to City Charter Section 245; and further authorized the Chief Executive Officer, or designee, to execute said Contract with Hensel Phelps Construction Co. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27683 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, February 16, 2023.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS